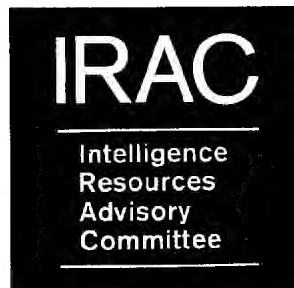


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Information Working Group

*Chairman's Report*  
*December 1973*

MORI/CDF Pages 1, 3-4,  
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24 January 1974

**Warning Notice**  
**Sensitive Intelligence Sources and Methods Involved**

**Additional Warning**  
**NATIONAL SECURITY INFORMATION**  
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### SUMMARY

The IRAC Information Working Group (IWG) was tasked to review CIRIS and related intelligence management information systems with the objective of developing recommendations for the implementation next year, and beyond, of CIRIS and/or some other follow-on system which will:

1. Provide a community-wide basis for characterizing the use of resources.
2. Provide a data base and means of analysis and evaluation to support senior managers in meeting their current and future objectives.
3. Provide a management information data base and inventory of assets to support USIB, IRAC, OSD, and NSCIC activities, and
4. Be responsive, cost effective, and minimize duplicative effort.

The fundamental requirement is to achieve an information system approach to help fulfill the President's 5 November 1971 directive to the DCI.

The IWG reviewed previous evaluations of CIRIS; reviewed the current CIRIS data base and related information systems; reviewed user needs and user experience; reviewed related evaluation and analysis activities; and debated issues and problem areas as they became identified.

The resulting conclusions and recommendations include:

1. Specification of the issues surrounding the CY 74 CIRIS Data Call.
2. Recommendation of an interim approach in CY 74 to the DCI need for monitoring community response to Key Intelligence Questions (KIQ's) and Objectives.
3. Recommendation for additional work toward the development of a future community information system for critical needs, making maximum use of other systems distributed throughout the community.

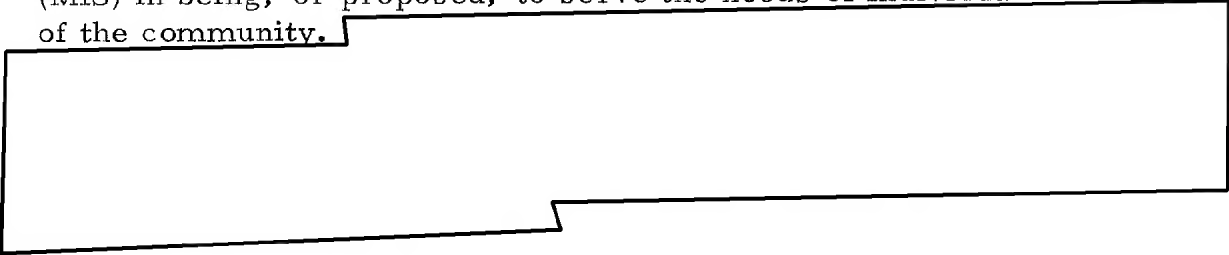
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1. Introduction

The CIRIS community information base and its predecessor, a target oriented display, maintained by the IC staff, were developed jointly by the Department of Defense, CIA, and OMB in response to an OMB initiative five years ago. It was originally intended to provide the DCI and the community with resource data. To date, CIRIS has been useful for selective resource displays, some correlation work, issue studies in support of program reviews, and the preparation of Congressional briefings and last year's National Intelligence Program Memorandum. It has also been queried in the course of a variety of studies, and it supports the need of the Critical Collection Problems Committee of USIB for an inventory of intelligence units and activities. Users during the past year were primarily the IC Staff and DIA.

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There are a number of related Management Information Systems (MIS) in being, or proposed, to serve the needs of individual elements of the community.



There are potential community management information needs which are either only partially satisfied by CIRIS together with these related systems, or are not addressed at all. Some representative examples of needs derived from Mr. Colby's 6 September 1973 memorandum to the President, "Objectives for the Intelligence Community", the USIB FY 1974 "Key Intelligence Questions" memorandum, and other sources are:

- (1) the IRAC quarterly review of resource utilization by all intelligence agencies.
- (2) the IRAC R&D Advisory Council review of R&D activities within the National Intelligence Program to identify on-going R&D efforts, their costs, their purpose, and the management responsibility for each effort.
- (3) the DCI review of the assignment of intelligence functions within the community and the worth of intelligence products to consumers in order to eliminate marginal, inefficient, unnecessary, or outmoded activities.

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- (4) the DCI review of the national/tactical intelligence interface with respect to assets, capabilities, and mutual support opportunities in order to reduce unnecessary overlap or duplication in the national and tactical areas.
- (5) the evaluation, beginning in FY 74, of the performance of the community and the individual agencies in responding to Key Intelligence Questions.
- (6) community efforts to improve insight into substantive intelligence issues and to relate these issues to cost.

25X1      These examples imply at least the need for a post audit capability. On the other hand, such overview needs are not necessarily of equal importance to Program Managers in the detailed discharge of their responsibilities. The apparent information needs of the community are diverse and do not necessarily lead to similar solutions. Questions, such as data timeliness and credibility, data-call timing as related to the   cycle, vulnerability resulting from data submitted, standards-- at least in terms of compatible formats and use of common terms, and the value to the user compared to the cost and effort required to support an information system, all develop into significant issues in any serious consideration of the community management information problem.

One "system" most likely cannot and should not attempt to serve the needs of the entire hierarchy of users. The problem then is one of relating expressed or implied user needs for community management information to the options which can be developed for satisfying these needs and the trade-offs involved in view of these options. This is the IWG view of the task assigned to it.

The review was conducted through a series of related tasks. These are described in the Terms of Reference (TAB A). The following sections of this report describe the results obtained under each task, leading to the conclusions and recommendations in the final section.

TAB B lists the IWG participating organizations and individuals.

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C. Needs

(1) Needs of the DCI and the Intelligence Community Staff:

The President's Directive to the DCI of 5 November 1971 directed the DCI to assume leadership of the community in planning, reviewing, coordinating, and evaluating all national intelligence program and activities, to review and provide judgments on the efficiency and effectiveness of all intelligence programs and activities (including tactical intelligence), and to recommend the appropriate allocation of resources to be devoted to intelligence. To fulfill these responsibilities, the DCI and his supporting Intelligence Community Staff need management information for resource distributions, and for performance evaluation. To a great extent, these needs are complementary, but their requirements are very separate and distinct. The DCI's planning, program review, and reporting functions require such data as: (a) resource for past fiscal years to trace changes and trends in manpower and funding; (b) projections for two to five years of resource needs as a result of resource decisions already made; (c) distributions of funds by major cost categories, including R&D and construction as well as O&M, etc.; (d) such records as the POM's, PDM's, PBD's, FYDP, and broad issue studies; (e) descriptions of resource capabilities and subordinations; (f) during a program year, data on changes from reprogramming, resource decisions made within program structures, or diversions of funds originally programmed for intelligence to uses outside the intelligence community. The basis for these needs from the viewpoint of the DCI's Intelligence Community Staff is fully described in TAB C.

(2) The Performance Evaluation System: The DCI's responsibility to evaluate intelligence programs and activities and render judgments on their efficiency and effectiveness requires a data system which does not now exist. Data input for such a system are essentially measurements of performance against tasks, and/or national intelligence objectives, and there is little precedent or experience with the generation, analysis, and reporting of such information. This problem is discussed in Section D.

(3) The Needs of Other Agencies:

As is stated elsewhere in this study (CIRIS, Sec. 2a), other agencies have no essential or critical need for CIRIS, and make little direct use of it, except for DIA which currently has no management information system of its own. Because data in the agencies'

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data bases must be accurate, reliable, and timely for agency management purposes, a future community-wide resource data system to support the DCI would do well to rely heavily on the separate, distributed agency data bases. The price of such reliance will be a broader mutual agreement on program structures, cost allocation procedures, definitions of data, timing of updates, subject and geographic categories and levels of aggregations required. Working out such an agreement could be an important task for the IC Staff and appropriate community bodies in support of the widened community responsibilities of the DCI.

#### D. Evaluation

Evaluation is expected to assume increasing importance as means are developed to assess the performance of intelligence entities against the objectives being established and to serve as a basis for the formulation of strategies against objectives. The President's instructions to the DCI stress that he is to evaluate all intelligence programs and activities and that he is to provide judgments on the effectiveness of intelligence programs. The ultimate effectiveness is measured in terms of the value of the intelligence product to its customers.

For the purposes of this consideration, evaluation is understood to be a process of value determinations - performance vs expectation vs cost - to support judgments regarding improved resource allocation. Analysis is here considered to include the identification, dissection, aggregation, and manipulation of data to support the evaluation process. The objective of both evaluation and its related analysis is, in short, to obtain as much useful performance as possible from a given level of investment or to obtain a given level of performance for as little investment as possible.

Conceptually, the evaluation problem can be approached by developing information on each of the following:

- (1) Intelligence objectives, reflecting current and anticipated needs and community tasking against these objectives.
- (2) The resources made available to address these objectives, and their distribution.
- (3) The strategies for the employment of these resources.
- (4) The implementation of these strategies and the resulting performance against the objectives, including the value of the resulting products.

One could then identify high and low payoff applications of resources, and evaluate the impact upon future performance of greater or lesser availabilities of resources, consistent with various management strategies.

Today, intelligence objectives, including Key Intelligence Questions, are being defined. The intelligence community is not in a position to apply this conceptual approach to them because the required information base and methodologies are not yet available. A crucial element in the evaluation process - Step 4 - is a means of measuring performance in terms which are commonly applied to all elements within a general intelligence function - collection, processing, production and support. The development, community-wide, of such means of measurement, or standards of performance, has understandably been hampered by political, fiscal, bureaucratic and individual reluctance to be judged. The financial constraints on the community's total budget, however, year by year call for a more sensitive means to differentiate between productive and marginal components and to distribute moneys to where they yield the greatest result.

Realistically, evaluation today can be considered in terms of (1) CIRIS and its application to the problem, (2) an interim means responsive to the DCI's evaluation of community response to his objectives and the Key Intelligence Questions, and (3) considerations for a longer term solution approaching the goals of the conceptual process described above.

#### 1. CIRIS and Evaluation

CIRIS data do not contain elements reflecting the effectiveness of the activity to which the data refer. The addition of effectiveness measures and automated evaluation data to the current CIRIS structure is impractical. Moreover, the relationships at present among CIRIS topical categories, Key Intelligence Questions and DCI Management Objectives are tenuous and, at the moment, are difficult to combine in a single structure or system. The choice is either to add the key questions and objectives to the CIRIS matrix or to set up a separate reporting system. Because the key questions and objectives are subject to dynamic change over time, inclusion of them in the CIRIS matrix can adversely perturb that matrix. Furthermore, the narration required from each reporting entity does not lend itself to CIRIS formats and suggests an eventual system, separate and different from CIRIS.

If there is a separate system, it will be important that the two interrelate as closely as is possible the identified resources in one system on one hand with the measurements of progress toward goals, objectives and priorities on the other. Some way must be found to translate Key Intelligence Questions, even though they will change, into general subjects which can relate to the resource information structure. No program has been undertaken to accomplish this, but a first step is to seek general recognition of the problem.

In view of the foregoing, it seems probable that there will be evolution toward these complementary systems:

- a. a budget system to record resources provided managers,
- b. a reporting system relating to objectives and KIQ's for review of the tasking and performance of managers,
- c. an eventual display of a program structure of resource allocation to show the structural relationships (collection, processing, production, and support) that are often distorted in organizational structure but that need to be displayed for planning purposes, understanding of interdependencies, and the review of objectives with consideration of those interdependencies.

The role of CIRIS in this evaluation has not been determined, but it is clear that it should not be significantly modified for CY 74 in an attempt to address the evaluation question.

## 2. Interim Evaluation of Response to KIQ's & Objectives

The purpose of an interim evaluation capability, operable in CY 74 is to meet the DCI's need for evaluation of the community response to his Objectives and Key Intelligence Questions. CIRIS cannot do this and is not so structured. The more analytical approaches which have been considered for evaluation are, at this point, underdeveloped, controversial, and not capable of meeting the requirement during the next calendar year. The following options, however, can be considered.

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A. Program Manager Option

The simplest option is initially to request the program managers to determine the evaluation method best suited to their operation and report in their own format, their response to each KIQ against which they were tasked. The Intelligence Community Staff would then convert these narrative reports into an Agency/KIQ matrix for overall evaluation.

B. Collection Evaluation Option

A second option directs attention to performance of collection resources against the target questions embodied as sub-sets of the KIQ's. In a series of steps this community evaluation process requires:

- (1) Identification of the answers needed to respond to a KIQ.
- (2) Identification of specific information required to support an answer.
- (3) Identification of what data are required to generate the sufficient information called for in (2).
- (4) Cross-relation of these data to the collectors whose prescribed tasks include collection against such requirements.
- (5) Identification of those collectors and the primary recipients of their "take".
- (6) Questioning of the recipients as to their judgment of how each collection system - to the extent they can identify them - assisted their analysis.
- (7) Questioning of the supervisory management level as to the distribution of reaction to the publications which embodied the analysis by those in (6)
- (8) Questioning of the final recipients or users of the reports prepared by those contacted in steps (6) and (7) above.

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This option illustrates some of the problems inherent in this conceptually straight-forward evaluation problem. The relation between collected data, information derived from a number of collectors or a time history of collection, and the relation between this information and intelligence needs, Key Intelligence Questions or Objectives can be difficult to identify and quantify. Determining value of a collection activity or product through questioning analysts and consumers is vulnerable to variation and subjectivity.

C. Evaluation of Products Responsive to KIQ's

A third and perhaps more direct option considers the five-part response requested from USIB agencies in response to Key Intelligence Questions described in Mr. Colby's 30 October 1973 memorandum to the NSCIC (Para. #3). Evaluation of these responses could be performed as follows:

- (1) For each KIQ/Objective tasking, identify products which will contain the response. Confirm and document priority tasking of collection and analytical resources.
- (2) Document current information baselines, estimates and uncertainties.
- (3) Identify important collection or analytical gaps.
- (4) Identify collection and analysis strategies to fill the gaps, together with the time frame required to do so.
- (5) Monitor through narrative reporting and displays the results of strategies as applied to the gaps and the increase in information resulting against products addressed to the KIQ/Objectives.

Given the results of (5), it would then be reasonable to consider estimating the cost of providing the incremental intelligence, so that cost-benefit analyses could be performed.

3. Longer Term Considerations

There has been considerable effort applied to developing evaluation methodologies applicable to community activities, such as

resource collection and performance evaluation. Some of these are described in the following few paragraphs.

25X1 Dr. [ ] Resource Allocation Model

This is a good example of an effort to apply available analytical techniques to the intelligence resource allocation problem. It is the basis for a potential future system candidate described in TAB D. If successful, it could, for example, show various incremental benefits to be derived from various funding options. In its present form, its credibility may be questioned for top management use because:

- (1) The validity of the sample of the community it takes has not been verified, and some observers feel that some preliminary allocation conclusions are subject to question.
- (2) The approach uses determination of relative values and the construction of utility functions by analysts whose natural biases could flavor the results.
- (3) The technique assumes that a valid requirement-to-collection "observable tree" can be constructed.
- (4) The model is so complex that a user cannot easily identify the effects of individual judgments exercised during construction of the model.

25X1 Mr. [ ] Decision Analysis Approach

This model is another interesting approach to provide quantitative measures in support of intelligence resource decision making. It attempts to determine the value of improved intelligence in dollars, so that it can be compared to the likely cost of obtaining the improved intelligence. Results obtained from his model are credible, but again they suffer from a dependence on judgments not easily visible to the decision maker, and complicate making intuitive insights into the model.

Other approaches include Mr. [ ] application of the [ ] performance evaluation technique (TAB D) and a DOD-sponsored cost benefit analysis study.

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One of the problems encountered in this review was an apparent lack of community agreement on the most essential questions that justified development of evaluation methodologies, and a coordinated community effort to address these questions. Before deciding which of the available techniques should be applied and evaluating the impact on present or future community information data bases, it would be useful to seek broader community agreement on the need for such advanced analytic approaches.

### 3. Conclusions and Recommendations

Conclusions from the tasks described above, can be separated into three categories: short term considerations for the CY 74 CIRIS data call, interim evaluation of community response to DCI objectives, and considerations for the longer term development of an efficient, responsive community management information system. Criteria considered important in selecting these recommendations include responsiveness to the essential needs of the intelligence management structure, maximum use of existing or otherwise necessary information systems and processing facilities, implementation that will encourage community support, and equitable distribution of support effort and expense.

#### A. CY 74 CIRIS Data Call

##### Conclusions

1. One user, the Intelligence Community Staff, considers CIRIS essential to the performance of its responsibilities in support of the DCI with respect to program review and identification of the resources associated with activities the DCI must evaluate. One user, DIA, considers CIRIS very useful, and loss of continuity in CIRIS data would create a hardship in carrying out assigned management responsibilities. In the view of ASD (I), CIRIS is far too elaborate and has not been helpful. (Minutes IRAC meeting - 5 November 1973).



2. The usefulness of CIRIS to the IC Staff could be increased by additional detailed information (TAB C). In the long run, the wider adoption of community data standards, the potential increased use of data bases distributed within the community, a desire to minimize the cost and effort involved, and a need to decrease the burden on diminishing staff resources should reduce the detail required in a CIRIS data call. As a practical matter, little change can be made in the current instructions if they are to be used for an early CY 74 data call.

3. In the view of the Intelligence Community Staff, the usefulness of CIRIS would be increased if information could be made available during the July/August review period, including targeted information for the program year 1976. This would require acceleration of the submission schedule and the targeting of information for the program year, not presently required.

4. This is contrasted to the lack of essential need expressed by other community members. Within DOD, DIA is the only significant user and this need will be substantially reduced when the proposed IMIS system is implemented.

5. The DCI must be supplied the information he needs in the exercise of his community responsibilities. One of these responsibilities with a significant impact on information needs is the program review function. The manner in which this is to be done by the DCI and his staff needs to be established before the essential data needs can be determined. This can either significantly simplify or expand data call requirements.

#### Recommendation

Given a determination of the DCI information needs, IRAC, through this working group or another ad hoc committee, should advise him in his consideration of the benefits to be gained, and of the effort which will be incurred in the community response to a CIRIS data call, including changes recommended through consideration stated in the previous paragraph.

B. Interim Evaluation of the Community Response to Key Intelligence Questions, and DCI Objectives

Conclusions

1. This need for evaluation of community response to the KIQ's or DCI Objectives has been repeatedly emphasized (TAB C and minutes - 5 November 1973 IRAC meeting) as an essential, new requirement for information, to be implemented in CY 74.
2. CIRIS cannot meet the requirement and should not be considered as a candidate means to that end.
3. Initially, a separate, narrative report should be used pending longer term consideration of means for future evaluation and analysis of community performance.

Recommendation

Unless current IC Staff consideration of this problem recommends a simpler solution, adopt Option C, Section D (2). This calls for narrative reports, consistent with Mr. Colby's 30 October memorandum to the NSCIC concerning Key Intelligence Questions, to do the following:

1. For each KIQ/Objective tasking, identify products which will contain the response. Confirm and document priority tasking of collection and analytical resources.
2. Document current information base-lines, estimates and uncertainties.
3. Identify important collection or analytical gaps.
4. Identify the collection and analysis necessary to fill the gaps, together with the associated time frame.
5. Monitor through narrative reporting and displays the results of identification of tasks in (4) to fill gaps identified in (3) as they affect improvement in the information in baselines and estimates in (2) to be reported in products identified in (1) above.

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6. Given the results of the monitoring in (5), consider estimating the cost of providing the incremental intelligence, so that cost-benefit analysis can be performed.

C. Longer Term Considerations

Conclusions

1. Despite the fact that CIRIS is little used outside the IC Staff, future community needs are likely to require some form of centralized, highly aggregated, management information system which will give visibility to the distribution of community resources and related resources outside the community and provide support to the DCI and USIB and IRAC committees.
2. This future system should fully exploit and not duplicate the separate management information systems used throughout the community.
3. In order to provide effective crosswalks among the data contained in these related community systems, serious consideration should be given to greater uniformity of data standards and formats.
4. The needs of the community to perform analysis and evaluation in support of senior decision makers should be identified, and development of promising techniques should be subject to greater coordination and discipline throughout the community.

Recommendations

1. Establish through an ad hoc working group or the USIB/IHC an activity addressing community resource management data standards.
2. Establish through an ad hoc working group or the USIB/IHC an activity to develop the concept of making maximum use of data bases distributed throughout the community and minimizing the need for a redundant central consolidated community data base.

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3. Establish through an ad hoc working group or the USIB/IHC a means to continue examination of the critical evaluation and analysis needs of the community management structure so as to coordinate and encourage the development of those advanced techniques which show promise.

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## IRAC INFORMATION WORKING GROUP

### Terms of Reference

#### OBJECTIVE

Review CIRIS and related intelligence management information systems with the objective of developing recommendations for the implementation next year and beyond of CIRIS or some other follow-on system which will:

1. Provide a community-wide basis for characterizing the use of resources.
2. Provide a data base and means of analysis and evaluation to support senior managers in meeting their current and future objectives.
3. Provide a management information data base and inventory of assets to support USIB, IRAC, and NSCIC activities, and
4. Be responsive, cost effective, and minimize duplicative effort.

#### TASKS

1. Carry out a Current Systems Review
  - A. CIRIS
    1. Review current CIRIS capabilities and data structure.
    2. Review user experience and use of CIRIS to date -- beneficial use, problems, and reasons for non-use.
  - B. Related Systems
    1. Review capabilities, data structure, and attributes of contributing and/or related intelligence management information systems.

2. Review current and/or expected use of these systems.

2. Identify User Information Needs and Requirements

Identify information system needs of the user community and current or potential applications of a community-wide data base.

For each requirement, identify the end use of results and current means, if any, of satisfying the need.

Separate user needs by major category, such as:

- a. Planning
- b. Preparation of the Congressional Briefing
- c. Preparation of the National Foreign Intelligence Program Budget
- d. Program Review
- e. Evaluation

3. Review significant problem areas as may be identified, such as analysis and evaluation needs and methodologies and treatment of support costs.

4. Summarize and report results with recommendations by mid-December 1973.

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TAB C  
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## DCI - INTELLIGENCE COMMUNITY STAFF NEEDS

### User Needs

Within the intelligence community, the management information systems, with the exception of CIRIS, have been designed to support requirements other than those of community-wide management. Late in 1971, the President directed the DCI to assume leadership of the community in planning, reviewing, coordinating, and evaluating all intelligence programs and activities and in the production of national intelligence. He was also directed to improve the performance of the community, to provide his judgments on the efficiency and effectiveness of all intelligence programs and activities (including tactical intelligence), and to recommend the appropriate allocation of resources to be devoted to intelligence. In response to this direction, the DCI has assumed a number of responsibilities, specified in his letter to the President of 6 September 1973, and has also established a set of management objectives to be implemented within the community. A set of substantive objectives is now being developed. If the DCI is to perform his responsibilities and to be confident that the necessary intelligence support is being provided the national authorities, more resource and performance information must be made available to him on a timely basis than is the present case.

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From the description, it is evident that the data required by the DCI are diffused widely. The three main sources of useful data are CIRIS, the FYDP, (in its several states of development) and the CIA Congressional Budget. None of these supplies him with information on effectiveness, and at this time he has little basis for addressing the "appropriate allocation of

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TAB "C"



resources". Yet the President looks to him to advise on the potential impact of alternative levels of resources (usually cuts). The President's Directive specifies that "All information required from all departments and agencies of the Executive Branch is to be made available to him (the DCI) in order that he may provide me with an annual detailed review of the needs and performance of the intelligence community".

The critical words in this instruction are "information required". The key variables that affect the requirement are:

The management system.

The timing and content of actions at the DCI level.

Though the requirement might be described in terms of present requirements, the information requirements are themselves evolving, hence the information system to support the DCI should be designed with a view to some growth potential.

#### The Management System

The Presidential instruction (November 1971) emphasizes DCI review, coordination, and recommendation on resource allocation. It leaves operational responsibility where it is currently found. Accordingly, the DCI envisages a coordinated but decentralized mode of management in which he provides guidance, defends the community level of resources that he deems necessary, exerts influence in the allocation of resources, and asks managers to report on the fulfillment of DCI-approved objectives.

In a decentralized system with a large number of decision centers, two common features are that (1) a decision by one unit may have significant consequences to another unit (need for coordination) and (2) many units may exercise similar functions (such as training, logistics, communication, staffs) so that combining such commonalities might provide significant economies.

The current theory of managing large systems suggests that where such features are present, the information system should stress visibility of costs, interrelationships, and consequences, because a large management system can be self-policing once a problem becomes visible. It is necessary, however, to recognize that often there are

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strong elements in current data flows reducing visibility. Among these are partial costing (such as not budgeting for a tenant relationship on a base or such as carrying retirement costs outside the immediate budget), differences in program structure, discrepancies in costing procedures, arbitrary and inconsistent treatment of indirect costs, failure to relate funding to function, and absence of output data.

The post-audit function suggests a need for community management systems, with resource data as well as output or performance information. In component level annual reports, where they exist, many activity measures are cited, but they are rarely reported on any continuing basis to higher management levels. Lack of output information hamstrings any central effort to evaluate effectiveness, except on the most subjective basis, and also weakens budget defense by obscuring the relationship between workload and resource requirements. The problems here are (1) the relations between quantity and value which are not necessarily strong in intelligence and (2) the justification of much of intelligence not in terms of current activity but in terms of contingency value. Neither of these problems is insurmountable, however. Guidance can be provided on capabilities desired; management and substantive objectives specified; performance against objectives measured in both qualitative and quantitative terms, as appropriate; and output measures developed for a wide variety of essential tasks such as communications, processing, and support services. The DCI has assigned priority to the task of developing systems for evaluating collection and production.

#### The Timing and Content of Actions at the Community Management Level

The data requirements relate to six key functions: planning, Congressional presentations, the annual report to the President (The National Foreign Intelligence Program Budget), the program review process, evaluation of performance, and recording actual resources available. At the present time, program review, Congressional presentation, and the annual report dominate the data requirements, but the evolution of the management system would probably dictate increasing attention to the other three functions, particularly evaluation.

##### A. Planning

At the present time, the key elements of community-level planning are the Perspectives paper and the promulgation of community-wide management and substantive objectives. Since guidance

plays an essential role in the coordination of a decentralized management system, it is to be expected that the planning input behind the setting of objectives will increase. There will also be greater attention to the out-year consequences of program and major project decisions.

Data requirements and timing: DCI-level planning guidance for the forthcoming program year is normally presented within the November-December time frame\*. Useful inputs to it are (1) data for the preceding fiscal years that will aid understanding of structural changes within the community by depicting trends in manpower and funds allocated to programs/program elements, organizations, and target categories. (Agency budget and FYDP are now the major sources.) (2) Data on the effectiveness of collection systems, processing, and production (not in a management system now). (3) Projections of future consumer priorities for intelligence (these are currently outside a management information system). (4) Projections (3-5 years) of resource requirements related in major program decisions already made (these are in the FYDP only). (5) Personnel data depicting past trends and future projections, with particular emphasis on retirement and quit profiles, career patterns, age/grade structure, education/skill inventory, and anticipated changes in the education/skill mix requirement. (Such personnel data are not currently used to any significant extent at the community management level.) (6) Data on performance against objectives. A point to emphasize is that inter-agency comparability of program structure becomes more important as the emphasis on planning increases, because a well-designed program structure gives a picture of the structural relationships in the entire process of intelligence, while relating in a meaningful way to planning parameters.

#### B. Congressional Presentation

The system is geared well to provide Congress budget and program data justifications, so far as the justifications go. The weakest link is the absence of any comprehensive assessment of the effectiveness of intelligence programs. As a result, it is virtually impossible to give any convincing portrayal of the impact on effectiveness of the resource level proposed or of a change in resource level.

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\* SecDef Guidance is issued in February, DCI guidance can be made concurrent.

Data requirements and timing: DCI Budget presentations have to be ready by April or May preceding the budget year, although they may not be given until well into the budget year. Resource data are presented according to functional (program), organizational, and budget cost classifications. The presentations often give some highly aggregated data on resources applied against targets and give, usually in anecdotal fashion, some sense of the effectiveness of activities. The data base should also provide some capability to provide information on activities that might come up for Congressional queries; there is perennial interest in R&D, construction, and external contracts, for example.

#### C. National Foreign Intelligence Program Budget

This report serves as the "annual detailed review of the needs and performance of the intelligence community". As such, it is usually prepared by October or November, when the data are available for the performance during the preceding fiscal year and when PDM and CIA program data are available for the forthcoming program year (currently, FY 1975). Last year, this report provided information on the national intelligence program with respect to: programmatic structure of the program year compared with preceding years; the time series for the NIP in current and in constant dollars; cross-program structure for collection (and major systems), processing, production, and covert activities; cost data by appropriation categories, and some highly aggregated data on targets and priorities. This year the report will include a section on the development of management and substantive objectives. Next year the report will likely review progress toward the accomplishment of the objectives that have been set.

#### D. Program Review

"Recommendation of the appropriate allocation of resources to be devoted to intelligence" hinges upon DCI participation in program review. The key inputs are those used by program reviewers in the Agencies and the Departments, especially the POM and the CIA program submissions. The IC Staff participates with ASD(I) in the review of DoD intelligence programs. This participation impacts somewhat upon the PDM and does affect the DCI's recommendations with respect to the National Intelligence Program.

Data requirements and timing: The main crunch period is June through August, preceding the PDM's, with a secondary crunch during September through November, preceding the PBD's. The central data inputs are the program and budget submissions, which for the DoD take

the form of the POM, the PDM, and issue studies. Reviewing officers, who must consider capabilities and effectiveness, would benefit from an attributes file descriptive of intelligence units and capabilities and from a target/regional breakout of the program data. The inventory file, which exists in rudimentary form today, should be expanded to serve multiple purposes by describing mission, funding, manpower, locations of activities, capabilities (including targeting), cumulative capital investment, and subordination. It probably should be expanded to include separate entries for major intelligence projects (operational and R&D) and to list cryptonyms and nicknames wherever appropriate.

CIRIS currently does not present target/geographic breakouts for program year data. As a result, review officers make little use of CIRIS except for background, when they use earlier year data. A breakout of target/geographic allocations for the program year would be helpful.

As the community moves toward management by objectives, it will be necessary to keep a systematic file (probably in narrative form) of objectives, progress to date, and resources attributed to the effort against each. The file should be limited to objectives of DCI interest and those Agency and Departmental objectives that immediately support community level objectives.

Both program review and budget review at the community level would be assisted if a computer-assisted file could be established within the IC Staff which could run updates on the data starting with the POM submittals, picking up the PDM, the PBD, apportionment updates, and significant reprogrammings. This could be handled internally with some formatting instructions to the contributing entities.

#### E. Evaluation

Evaluation is expected to assume increasing importance as means are developed to assess the performance of intelligence entities against the objectives being established and to serve as a basis for the formulation of strategies against objectives. The President's instructions to the DCI stress that he is to evaluate all intelligence programs and activities and that he is to provide judgments on the effectiveness of intelligence programs. The ultimate effectiveness is measured in terms of the value of the intelligence product to its customers; the product review process is being designed to tackle this aspect.

Evaluation is a function that should be performed at each level in the organizational hierarchy with respect to subordinate activities. At the DCI level, it should be concerned with relatively aggregated data but should have access, upon request, to more detailed information where required.

Some of the key data requirements likely in any pre-evaluation (strategy) or evaluation system are: a matrix of programs/sensors/platforms arrayed against a matrix of objectives/subjects/geography displaying effectiveness values and some breakout of aggregated costs for O&M, procurement, R&D. The system for deriving the effectiveness values is likely to be judgmental. The cost data will be profoundly influenced by the way in which joint costs are allocated. The Key Intelligence Questions are likely to generate this kind of display.

#### F. Recording Actual Resources Available

Monitoring the actual allocation of resources is usually an integral step in the management process and is a necessary step if the effectiveness of the decentralized system is to be assessed. As a practical matter, however, the intelligence community is not a closed system and other authorities (Services, Commands, Agencies, and Departments) can make independent decisions that affect the availability and use of intelligence resources. Even more, resource reporting is incomplete because important data on reprogramming and on the availability of manpower (on-duty strength) are not even in the information system available to the DCI. Finally, the absence of effectiveness measures is a gap that thwarts effective coordinated management.

Reporting of progress against DCI and program manager objectives (managerial and substantive) would tend to reveal problems of coordination faster than they would otherwise be revealed and hence may strengthen cooperative management in spite of the basic weaknesses within the data system. Systems are being considered that might provide such reporting.

#### G. Special Studies

Special studies are a means to get information that is impossible or impractical to collect routinely; hence they are an important adjunct to the management information system. Of course, matters that are frequently the subject of special studies are candidates for inclusion in routine reporting.

## OPTIONS FOR NEXT CIRIS DATA CALL

The options for the next CIRIS Data Call are limited for practical reasons to incremental changes in the data submission instructions which would "tighten up" the accuracy and/or relevance of the data base. Additional types of management information may be found necessary for effective intelligence community management. Requirements cannot be specified in time for the CIRIS 74 Data Call.

The options described are intended to reduce some of the obstacles to data utility which have been identified by the group. Some may be in conflict with others; for example, requirements for additional descriptive data on Reporting Entities will increase the data preparation time and tend to work against an earlier completion for data base up date. Therefore, options should be chosen carefully to insure that system reach does not exceed its grasp.

### A. TIMELINESS

Previously, the annual update has not been completed until after program reviews. The deadline for Reporting Entity submission could be changed from late May to early April, resulting in CIRIS 74 data being available in mid-June. This compression could produce an increased data accuracy problem. Attention to accuracy of submitted data would have to be increased since a great amount of preparation effort must occur after data reach the Data Support Group of the IC Staff.

### B. PROGRAM YEAR DATA

Given the above, there is still no provision currently for targeting program year resources. The extremely detailed resource targeting procedures required by CIRIS are not compatible with the level of uncertainty in Reporting Entities concerning Program Year resources. Experience shows that even Budget Year figures tend to be straight line projections of the Current Year targeting. One other option is to target Budget Year and Program Year resources in percentage level of effort terms. This option should be considered in combination with the one above since the purpose of each is increased utility for CIRIS in program review.

### C. SUBJECT/GEOGRAPHIC CATEGORIES

The current lists of subjects and geographic areas for targeting is a reasonable compromise between (a) the requirement to report targets fairly specifically if the data eventually are to have any analytical value and (b) the reality of the vacuum cleaner characteristic of many collection and associated processing systems. The option exists to adjust this compromise in either direction, but the experience to date with "basket" categories indicates that more specificity in the data is an illusory goal at present. Simplifying the subject/geographic lists would probably not degrade the system for most managerial purposes. It would reduce the utility of the system for special studies and detailed analysis, such as assessing programmed effort against specific substantive objectives.

Aside from the benefit of simplifying (and presumably speeding) data preparation, a more concise subject/geographic matrix would offer the DCI an opportunity to establish that as the official Community matrix, considering compatibility with DCID 1/2. All other information systems should be capable of aggregating data to the mandated categories.

### D. COST DEFINITIONS

Although CIRIS definitions are derived from official DoD sources and are technically sound, it is evident from looking at time series data on certain support cost categories that submitters have a great deal of latitude as to how costs are classified.

One option would be to combine the current Positive Mission Support and General Support categories. This would reduce some of the inconsistency in CIRIS, albeit at the expense of some detail. It would also lead to a lower mission/support cost ratio.

Another option would be to expand upon the explanations of cost classification in the CIRIS instructions. In effect, this would mean developing accounting rules for the Intelligence Community. Since this would be an iterative process, the option actually is to make a start rather than to complete the project this year.

### E. MANPOWER DATA

CIRIS now concerns itself with end-of-year authorized strengths. If the advantages of using FYDP data as control figures are



to be realized, this characteristic should be retained. An option does exist to report actual strengths, also. This would necessarily be historical data rather than projected, but it would provide useful post audit information, with a limited predictive capability.

#### F. INVENTORY UPGRADE

The amount of descriptive information each Reporting Entity provides could be increased by either redesigning the forms or by prescribing certain entries in the narrative portion of the current form. Data required for the facilities inventory of the CCPC, for example, could be submitted with CIRIS data. This would entail specifying how conspicuous equipment and capital investment is to be reported.

Also, personnel assigned to the Reporting Entity but stationed in a different country from the Reporting Entity headquarters could be identified.

As a forerunner to a more definitive capabilities inventory, the descriptive narrative could note contingency capabilities of the Reporting Entity which are not evident from the submitted data.

#### G. RESOURCE CATEGORIES

Currently, resources in the CIRIS data base are categorized into approximately 35 cost and 10 manpower types. Each category must be targeted, and this accounts for much, if not most, of the complexity and volume of data submissions. The option exists to reduce the resource categories and simplify data requirements, although there would be a cost in utility.

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